

LEADERSHIP

ORGANIZATION PLANNING Patient Financial Assistance

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POLICY:

As a charitable organization, Parkside, Inc. will provide emergency or other medically necessary care, for all patients, regardless of ability to pay. Parkside, Inc. provides services free or at a reduced charge to uninsured or under-insured patients who qualify under the organization's financial assistance program. The program has clear guidelines to determine who qualifies for free or reduced charge services. Parkside, Inc. will assist patients in obtaining health insurance coverage or any other funding available from privately and publicly funded sources whenever appropriate. Financial assistance covers hospital-based services provided by Parkside, Inc., but may not cover all health care costs, if any care is provided by other organizations or independent physicians. Parkside, Inc. considers each patient's ability to pay for his or her care and extends charity care or partial charity care to eligible patients unable to pay in accordance with our financial assistance policy and in compliance with applicable federal, state, and local law including Section 501© of the Internal Revenue Code.

PURPOSE:

In keeping with Parkside, Inc.'s mission it is considered not only necessary but also appropriate to adjust patient responsible liability under certain circumstances. It is not the intent of this policy to restrict this practice, but rather to establish clear guidelines by which to make these adjustments. The policy establishes procedures as to how financial assistance decisions are made, reported, and who is authorized to make decisions about adjustments. The provision of emergency and medically necessary services will not be delayed based on a patient's ability to pay or a patient's entry into the Financial Assistance Program application.

DEFINITIONS:

Financial Assistance: Financial assistance is defined as forgiveness of full or partial charges for medically necessary services provided to patients who are unable to pay. This policy covers services provided by Parkside Psychiatric Hospital & Clinic and the organization's employees. The policy does not apply to care that is not medically necessary and does not apply to independent physicians or services provided at locations other than Parkside, Inc.

Medically Necessary Services: Medically necessary services refer to emergency, in-patient, and out-patient services for the purpose of evaluation, diagnosis, stabilization, or treatment of an injury or illness that, if left untreated, would pose a threat to the patient's health status such as may result in serious impairment to bodily function and place the individual in health jeopardy. Medically necessary care follows a determination of need by a licensed physician in consultation with other health professionals.

Amount Generally Billed: The amount generally billed is the amount generally paid by insurance payers for emergency services provided. This is calculated with a "look back" review of claims to Medicare and commercial insurance carriers over the most recent year to determine a percentage of total charges that is typically allowed by these payers.

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Family Income: Family income includes all pre-tax income of a group of two or more persons related by birth, marriage, civil union, or adoption who live together, including the following: earnings, unemployment compensation, worker's compensation, social security, supplemental security income, public assistance, veteran's payments, survivor benefits, pensions or retirement income, interest, dividends, rents, royalties, income from estates, trusts, education assistance (grant and scholarships), alimony, and child support.

PROCEDURE:

I. Communication to Parkside, Inc. Associates and the Public:

Parkside, Inc. will make sure information regarding financial assistance is available to our patients at the time care is given and before billing begins. Multiple methods of communication used are listed below:

- A. Signage in main admitting and lobby areas of the hospital and outpatient clinic;
- B. One-page Financial Assistance Program Information Sheet (in multiple languages);
- C. Parkside, Inc's website will contain information regarding the availability of financial assistance and host a copy of this policy available to the public;
- D. Admitting and Business Office personnel will be oriented to the Financial Assistance Program and have information available in their work areas both for reference and for distribution;
- E. Parkside, Inc. will make copies of this policy available in main lobby areas;
- F. Parkside, Inc. will include notification of the Financial Assistance Program in patient bills;
- G. Parkside, Inc. will request every collection agency that accounts are sent to, to provide a telephone number a patient can call to request financial assistance.

II. Eligibility:

The distinction between qualifying for discounted rates and charity care is the minimal ability to pay versus the inability to pay the patient portion of their account.

- A. Full or partial patient assistance may be provided to the patients with low incomes and/or with medical bills. They may be medically indigent even though they can meet their basic living expenses. Medically indigent is defined as an inability to pay for needed medical care, whether through insurance, savings, current income, or borrowing against future income. Discount guidelines (See Form E 9) will be used to determine the percentage of financial assistance available to the patient. Financial assistance may be used for co-pays, deductibles, and co-insurance, when the patient is not able to pay for the entire amount of their account.
- B. It is recognized that not all patients will be willing or able to provide complete financial and/or social information. Therefore, some charity cases may be determined based on available resources, such as:
 - 1. patient is homeless or unemployed;
 - 2. family/friend provides undocumented information establishing the patient's inability to pay;
 - 3. members of religious organizations who have taken the vow of poverty;

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4. patients with current eligibility under county or state medical indigent services administered by county or state facilities or private sector entities.
- C. Patient financial assistance is the last resort to all other payment sources and must be investigated and eliminated before a discount rate is authorized. Other payment sources may include, but are not limited to, Medicaid, bank accounts, a personal loan, the victims of violent crimes program or other insurance.
- D. Gross family income should fall between 100% and 200% of the poverty guidelines published annually by Health and Human Services to automatically qualify for a discount. The amount of assistance will be determined by the discount guideline chart. Patients with income above 200% must complete a financial application to determine the amount of their disposable income. Patients whose income is at or less than 100% of Federal Poverty Guidelines should be referred to the Business Office Collections policy to determine indigent care qualifications.
- E. All patients desiring consideration for Parkside, Inc.'s Patient Financial Assistance Program must apply by completing the Request for Determination of Eligibility for Financial Assistance (See Form W 418). Substantiating documentation must be provided by the patient and/or family to support the information entered on the Financial Assistance Request Form.
- F. When a third-party payment is expected, the discounted amount will be applied only after the payment is received.
- G. When the discounted allowance is applied and a third-party payment is later received, the discounted allowance will be reversed by the amount of the additional payment.
- H. After the discounted allowance is applied, the financial obligation which remains must be payable in payments established by the pay agreement signed by the patient. Failure to keep the established pay agreement negates the discount and the patient must reestablish his/her qualifications.
- I. Consistent with Federal guidelines, the following definitions are utilized by Parkside, Inc. to determine the size of the family unit.
 1. Family: A group of two or more persons related by birth, marriage, or adoptions that reside together. All such related persons are considered as members of one family. (If a household includes more than one family and/or more than one unrelated individual, the poverty guidelines are applied separately to each family and/or unrelated individual and not to the household as a whole).
 2. Family unit of size one: An unrelated individual who may be the sole occupant of a housing unit, or may be residing in a housing unit in which one or more persons also reside who are not related to the individual by birth, marriage, or adoption.
 3. Students: A student qualifies as dependent on the parent's income tax (current year) return.
 4. Dependent: Status on income tax return of responsible party/parties will be used to determine whether that person will be counted as part of the family unit.
- J. The patient must reapply annually if subsequent services are rendered and there is still an inability to pay for them.

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- K. Determination of eligibility should be made prior to discharge or as close to the date of service as possible. However, retroactive determinations are also eligible.
- L. All applications must receive signed approvals by the Business Office Director or Chief Financial Officer that will stay with the original application. For approvals over \$10,000 of charity adjustments, the application must be approved by the Chief Executive Officer.
- M. Parkside, Inc. will notify the patient of the final determination after receipt of the financial application with related documented materials (proof of income, etc.). The notification will include a determination of the amount for which the responsible party will be financially accountable, including payment terms for the balance due, if any. Denials will be written and include instructions for appeal or reconsideration.
- N. The responsible party may appeal a denial of eligibility for patient assistance by providing additional verification of income or family size to the Business Office Manager within 30 calendar days of receipt of notification. The Chief Financial Officer will review all appeals for final determination. If the determination affirms the previous denial of patient assistance, written notification will be sent to the patient/guarantor.
- O. Patients will not be subject to billing or statements that exceed the Amount Generally Billed (AGB). AGB is the amount generally paid by insurance payers for emergency services provided. This is calculated with a “look back” review of claims to Medicare and commercial insurance carriers over the most recent year to determine a percentage of total charges that is typically allowed by these payers.
- P. No one will be denied services at Parkside, Inc. based on their ability to pay for emergency services.

III. Actions in the Event of Non-Payment:

Parkside Inc. will not engage in extraordinary collection actions against an individual prior to making a reasonable effort to determine eligibility under this policy. Extraordinary collection actions may include selling an individual’s debt to another party except as expressly provided by federal tax law, certain actions that require legal or judicial process as specified by law, and reporting adverse information about the individual to consumer credit bureaus.

- A. Parkside, Inc. will send statements to the patient, which informs the patient of the amount due, and the contact information if they want to establish approved payment arrangements or complete a Financial Assistance Application. Parkside, Inc. will attempt to contact the patient by telephone at the number provided by the patient (if any) to inform the patient of the amount due and how to complete a Financial Assistance Application.
- B. A patient who is making timely payments on all agreed upon installment arrangements for payment of health care services will not be charged interest on outstanding balances prior to collections.
- C. If there is a balance owed after financial assistance eligibility determination and the patient does not comply with agreed upon payment arrangements, Parkside, Inc. will make two attempts to provide the patient with notice by mail and/or telephone. If the patient’s financial situation has changed, the patient will be given an opportunity to work out new payment arrangements.

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- D. If the patient does not make payment arrangements, or if the patient fails to comply with any payment arrangements made, Parkside, Inc. may refer the outstanding account balance to a collection agency.
- E. Parkside, Inc. will limit annual collection of the amount owed after the financial assistance is calculated to 20% of the patient's annualized family income, except where the patient's family income exceeds 200% of the federal poverty level and the patient possesses qualified assets.
- F. Following reasonable collection efforts and after at least 120 days have elapsed following the initial billing statement, and upon approval by Parkside, Inc.'s Business Office, Parkside, Inc. and/or its collection agencies may engage in routine collection practices including but not limited to reporting to credit bureaus, filing voluntary liens, garnishing wages, and taking legal action to collect balances owed.
- G. Parkside, Inc. may choose to apply additional financial assistance to past due accounts when independent and/or additional sources indicate an inability to pay.
- H. In the event a patient or responsible party pays a portion or all of a balance later found to qualify for financial assistance, Parkside, Inc. will attempt to refund those amounts within a reasonable time frame, if this occurs prior to collections or final judgement.
- I. Parkside, Inc. will suspend collection actions if a Financial Assistance Application is received at any point prior to the receipt of a final judgement in a lawsuit.

Reviewed by:

APPROVALS:

Medical Director

Date

Chief Executive Officer

Date

President

Date